Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2017 Regular Session

Part I: Measure Information

Bill Request #: 820
Bill #: SB 4 SCS
Bill Subject/Title: AN ACT relating to Medical Review Panels
Sponsor: Senator Ralph Alvarado
Unit of Government: X City X County X Urban-County
XCharter CountyXConsolidated LocalXUnified LocalXGovernment
Office(s) Impacted: Any local government that owns a hospital or long term care facility.
Requirement: X Mandatory Optional
Effect on Powers & Duties: Modifies ExistingX Adds New Eliminates Existing
Part II: Purpose and Mechanics
SB 4 establishes medical review panels to review malpractice complaints against health care providers. All complaints must be reviewed by the panel which in turn provides an opinion. Only by agreement of all parties may a complaint go directly to a court of law bypassing the panel. The statute of limitations is suspended until 90 days after an opinion is given.
The panel will consist of an attorney who also acts as chairperson and three health care providers. The selection and removal processes for panel members are mandated within this proposal as well as procedural requirements and pay / expense reimbursement requirements for the panel.
The opinion of the panel which might be admissible as evidence in any subsequent court action will state in part one of the three outcomes:
-Failure to comply with appropriate standards and the conduct was a substantial factor in producing a negative outcome for the patient;
-Failure to comply with appropriate standards and the conduct was NOT a substantial factor in producing a negative outcome for the patient; and

-Evidence does not conclude that there was a failure to meet the applicable standard of care.

SB 4 SCS retains the major provisions of the measure as introduced and makes the following changes in the bill:

SB 4 SCS provides that if a panel chairperson cannot be agreed upon within 20 days after a complaint is served, any party may request the director of the Kentucky Bar Association to select a list of potential chairpersons. Once the \$25 selection fee has been received from the party making the request, the director shall randomly draw five attorneys. These attorneys must be licensed to practice within Kentucky and maintain an office in the county or in a contiguous county from where the complaint originated. The director will notify the parties at which time they will alternate striking attorneys until the remaining attorney is named chairperson.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The fiscal impact of SB 4 SCS on local governments is expected to be minimal.

For purposes of this local government mandate analysis, only hospitals and long term care facilities owned, operated or contracted for by local governments were considered.

The Cabinet for Health and Family Services (CHFS) shows 4 hospitals owned, operated, or contracted by local governments. The hospitals all happen to be owned by county governments. Those hospitals are listed below:

Casey County Hospital Hardin Memorial Hospital Knox County Hospital Russell County Hospital

There are 3 long term care facilities owned, operated, or contracted by local governments. Those facilities are listed below:

Cumberland Valley Manor Metcalfe Health Care Center Spring Creek Health Care.

All cost associated with the panel including compensation to the members, reasonable travel expenses, and any other expenses are to be paid for by the party or parties in whose favor the opinion is written. Additionally, the \$25 fee accompanying the request for the director of the Kentucky Bar Association to select a chairperson is paid by the party making the request.

Whereas government employees are not excluded as possible panel members, there may be cost to cover the work load of a local government employee if selected as a panel member. This could be an attorney or health care worker employed by the local government.

Data Source(s): <u>LRC staff, Cabinet for Health and Family Services..</u>

Preparer: Wendell F. Butler Reviewer: JWN Date: 1/5/17